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10 **BEFORE THE**  
11 **CALIFORNIA BOARD OF ACCOUNTANCY**  
12 **DEPARTMENT OF CONSUMER AFFAIRS**  
13 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

14 WILLIAM JOHN MATTILA

27758 Santa Margarita Parkway #402

15 Mission Viejo, CA 92691

16 Certified Public Accountant No. 46705

17 Respondent.

Case No. AC-2007-37

**DEFAULT DECISION  
AND ORDER**

[Gov. Code, §11520]

19 FINDINGS OF FACT

20 1. On or about August 14, 2007, Complainant Carol Sigmann, in her official  
21 capacity as the Executive Officer of the California Board of Accountancy, Department of  
22 Consumer Affairs, filed Accusation No. AC-2007-37 against William John Mattila (Respondent)  
23 before the California Board of Accountancy.

24 2. On or about December 5, 1986, the California Board of Accountancy  
25 (Board) issued Certified Public Accountant No. 46705 to Respondent. The Certified Public  
26 Accountant expired on November 1, 2006, and has not been renewed.

27 3. On or about August 22, 2007, Denise Hosman, an employee of the  
28 Department of Justice, served by Certified and First Class Mail a copy of the Accusation No.

1 AC-2007-37, Statement to Respondent, Notice of Defense, Request for Discovery, and  
2 Government Code sections 11507.5, 11507.6, and 11507.7 to Respondent's address of record  
3 with the Board, which was and is 27758 Santa Margarita Parkway #402, Mission Viejo, CA  
4 92691. A copy of the Accusation, the related documents, and Declaration of Service are attached  
5 as Exhibit A, and are incorporated herein by reference.

6 4. Service of the Accusation was effective as a matter of law under the  
7 provisions of Government Code section 11505, subdivision (c).

8 5. Business and Professions Code section 118 states, in pertinent part:

9 "(b) The suspension, expiration, or forfeiture by operation of law of a license  
10 issued by a board in the department, or its suspension, forfeiture, or cancellation by order of the  
11 board or by order of a court of law, or its surrender without the written consent of the board, shall  
12 not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the  
13 board of its authority to institute or continue a disciplinary proceeding against the licensee upon  
14 any ground provided by law or to enter an order suspending or revoking the license or otherwise  
15 taking disciplinary action against the license on any such ground."

16 6. Government Code section 11506 states, in pertinent part:

17 "(c) The respondent shall be entitled to a hearing on the merits if the respondent  
18 files a notice of defense, and the notice shall be deemed a specific denial of all parts of the  
19 accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of  
20 respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing."

21 7. Respondent failed to file a Notice of Defense within 15 days after service  
22 upon him of the Accusation, and therefore waived his right to a hearing on the merits of  
23 Accusation No. AC-2007-37.

24 8. California Government Code section 11520 states, in pertinent part:

25 "(a) If the respondent either fails to file a notice of defense or to appear at the  
26 hearing, the agency may take action based upon the respondent's express admissions or  
27 upon other evidence and affidavits may be used as evidence without any notice to  
28 respondent."

9. Pursuant to its authority under Government Code section 11520, the Board finds Respondent is in default. The Board will take action without further hearing and, based on Respondent's express admissions by way of default and the evidence before it, contained in Exhibits A and B, finds that the allegations in Accusation No. AC-2007-37 are true.

10. The total costs for investigation and enforcement are \$5,417.72 as of October 5, 2007. A copy of the Cost Certification is attached as Exhibit B, and is incorporated herein by reference.

## DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent William John Mattila has subjected his Certified Public Accountant No. 46705 to discipline.

2. A copy of the Accusation and the related documents and Declaration of Service are attached.

3. The agency has jurisdiction to adjudicate this case by default.

4. The California Board of Accountancy is authorized to revoke Respondent's Certified Public Accountant based upon the following violations alleged in the Accusation:

a. Respondent is subject to disciplinary action under Code section 5100(c) in that he was grossly negligent and committed repeated acts of negligence for not preparing income tax returns that he was engaged to prepare for clients T.T., R.R. and K.W.H., for the tax year 2005, and for failing to prepare an extension for client R.R.'s 2005 income tax returns as more specifically set forth in paragraphs 13-15 above and incorporated herein as though fully set forth. Clients T.T., R.R. and K.W.H. left telephone messages and mailed letters to Respondent requesting their completed income tax returns or the return of their tax records. Respondent never prepared the returns or returned the tax records to clients T.T., R.R. and K.W.H. As a result, clients T.T., R.R. and K.W.H. had to obtain duplicate copies of tax documentation in order to have their returns prepared by other tax preparers.

b. Respondent is subject to disciplinary action under Code section 5100(i), Article V of the AICPA Code of Professional Conduct and Treasury Circular 230

1 section 10.22 in that he breached his fiduciary responsibility to his clients when he failed  
2 to prepare income tax returns that he was engaged to prepare for clients T.T., R.R. and  
3 K.W.H., for the tax year 2005 and for failing to prepare an extension for client R.R.'s  
4 2005 income tax returns as more specifically set forth in paragraphs 13-15 in the  
5 Accusation and incorporated herein as though fully set forth.

6 c. Respondent is subject to disciplinary action under Code section  
7 5100(g) in that he failed to return clients T.T., R.R. and K.W.H.'s 2005 tax records  
8 despite their repeated requests by both telephone and written correspondence to return  
9 their tax documents as required by Code section 5037(b) and as set forth in paragraphs  
10 13-15 in the Accusation and incorporated herein as though fully set forth.

11 d. Respondent is subject to disciplinary action under Code section  
12 5100(g) in that he failed to return clients T.T., R.R. and K.W.H.'s 2005 tax records despite  
13 their repeated requests by both telephone and written correspondence to return their tax  
14 documents as required by CCR section 68 and as set forth in paragraphs 13-15 in the  
15 Accusation and incorporated herein as though fully set forth.

16 e. Respondent is subject to disciplinary action under Code section  
17 5100(g) in that he failed to respond to a Board inquiry as required in CCR section 52.  
18 Respondent failed to respond within 30 days to letters dated June 29, 2006, August 8,  
19 2006, August 9, 2006, and September 6, 2006 from an Investigative C.P.A. for the Board.

20 f. Respondent is subject to disciplinary action under Code section  
21 5100(g) in that he prepared income tax returns under the firm name of "Mattila and  
22 Associates, Inc.," which is not registered with the Board as required by Code section  
23 5060.

#### 24 ORDER

25 IT IS SO ORDERED that Certified Public Accountant No. 46705, heretofore  
26 issued to Respondent William John Mattila, is revoked.

27 Pursuant to Government Code section 11520, subdivision (c), Respondent may  
28 serve a written motion requesting that the Decision be vacated and stating the grounds relied on

1 within seven (7) days after service of the Decision on Respondent. The agency in its discretion  
2 may vacate the Decision and grant a hearing on a showing of good cause, as defined in the  
3 statute.

4 This Decision shall become effective on December 26, 2007.

5 It is so ORDERED November 26, 2007

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7  
8 FOR THE CALIFORNIA BOARD OF ACCOUNTANCY  
9 DEPARTMENT OF CONSUMER AFFAIRS

10  
11 80169772.wpd  
12 DOJ docket number:SD2007800969

13 **Attachments:**

14 Exhibit A: Accusation No.AC-2007-37, Related Documents, and Declaration of Service  
15 Exhibit B: Certification of Costs: Declaration of Rita M. Lane  
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12 **DEPARTMENT OF CONSUMER AFFAIRS**  
13 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. AC-2007-37

14 WILLIAM JOHN MATTLA  
27758 Santa Margarita Parkway #402  
15 Mission Viejo, CA 92691

**A C C U S A T I O N**

16 Certified Public Accountant Certificate No.  
46705

17 Respondent.

18  
19 Complainant alleges:

20 PARTIES

21 1. Carol Sigmann (Complainant) brings this Accusation solely in her official  
22 capacity as the Executive Officer of the California Board of Accountancy (Board).

23 2. On or about December 5, 1986, the Board issued Certified Public  
24 Accountant Certificate Number 46705 to William John Mattila (Respondent). Said certificate  
25 expired and was not valid during the following time periods: November 1, 1996 through  
26 January 2, 1997, November 1, 1998 through November 29, 1998, November 1, 2000 through  
27 January 11, 2001, November 1, 2002 through April 28, 2003, and November 1, 2004 through  
28 October 10, 2005. Said certificate expired on November 1, 2006, and has not been renewed.

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3. This Accusation is brought before the Board of Accountancy under the

4. Section 5109 of the Code provides that the expiration of a license shall not

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7. Section 5060 states:

(a) No person or firm may practice public accountancy under any name which is false or misleading.

(b) No person or firm may practice public accountancy under any name other than the name under which the person or firm holds a valid permit to practice issued by the board.

(c) Notwithstanding subdivision (b), a sole proprietor may practice under a name other than the name set forth on his or her permit to practice, provided the name is registered by the board, is in good standing, and complies with the requirements of subdivision (a).

8. Section 5107 of the Code provides for the recovery by the Board of its reasonable costs of investigation and prosecution, including attorney's fees, if respondent is found to have committed a violation of this chapter.

9. California Code of Regulations, title 16 (CCR), section 52 provides

(a) A licensee shall respond to any inquiry by the Board or its appointed representatives within 30 days. The response shall include making available all files, working papers and other documents requested.

10. CCR section 68 provides

A licensee, after demand by or on behalf of a client, for books, records or other data, whether in written or machine sensible form, that are the client's records shall not retain such records. Unpaid fees do not constitute justification for retention of client records.

Although, in general, the accountant's working papers are the property of the licensee, if such working papers include records which would ordinarily constitute part of the client's books and records and are not otherwise available to the client, then the information on those working papers must be treated the same as if it were part of the client's books and records.

## STANDARD OF PRACTICE

11. Article V - Due Care Section 56.04 of the AICPA Code of Professional Conduct states that members should be diligent in discharging responsibilities to clients, employers, and the public. Diligence imposes the responsibility to render services promptly and carefully, to be thorough, and to observe applicable technical and ethical standards.

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1                   12.     Treasury Circular 230 section 10.22 states that each attorney, certified  
2 public accountant, or enrolled agent shall exercise due diligence:

3                   (a) In preparing, or assisting in the preparation of, approving, and filing  
4 returns, documents, affidavits, and other papers relating to Internal Revenue  
Service matters;

5                   (b) In determining the correctness of oral or written representations made  
6 by him to the Department of Treasury; and

7                   (c) In determining the correctness of oral or written representations made  
8 by him to clients with reference to any matter administered by the Internal  
Revenue Service.

9   STATEMENT OF FACTS

10                   13.     On June 26, 2006, client T.T. filed a complaint with the Board after he  
11 engaged Respondent to prepare his 2005 income tax returns; however to date, Respondent has  
12 failed to prepare the income tax returns or return client T.T.'s income tax documentation.

13                   14.     On August 8, 2006, client R.R. filed a complaint with the Board after  
14 Respondent failed to prepare an extension on his 2005 income tax returns which caused client  
15 R.R. to incur federal and state penalties and interest because of Respondent's failure to do so.  
16 Respondent also failed to prepare client R.R.'s 2005 income tax returns or return client R.R.'s  
17 income tax documentation.

18                   15.     On September 5, 2006, client K.W.H. filed a complaint with the Board  
19 after she engaged Respondent to prepare her joint 2005 income tax return; however to date, the  
20 return has not been completed nor has Respondent returned client K.W.H.'s records.

21   FIRST CAUSE FOR DISCIPLINE

22   (Gross Negligence and Repeated Negligent Acts)

23                   16.     Respondent is subject to disciplinary action under Code section 5100(c) in  
24 that he was grossly negligent and committed repeated acts of negligence for not preparing  
25 income tax returns that he was engaged to prepare for clients T.T., R.R. and K.W.H., for the tax  
26 year 2005, and for failing to prepare an extension for client R.R.'s 2005 income tax returns as  
27 more specifically set forth in paragraphs 13-15 above and incorporated herein as though fully set  
28 forth. Clients T.T., R.R. and K.W.H. left telephone messages and mailed letters to Respondent

1 requesting their completed income tax returns or the return of their tax records. Respondent  
2 never prepared the returns or returned the tax records to clients T.T., R.R. and K.W.H. As a  
3 result, clients T.T., R.R. and K.W.H. had to obtain duplicate copies of tax documentation in  
4 order to have their returns prepared by other tax preparers.

5 SECOND CAUSE FOR DISCIPLINE

6 (Breach of Fiduciary Responsibility)

7 17. Respondent is subject to disciplinary action under Code section 5100(i),  
8 Article V of the AICPA Code of Professional Conduct and Treasury Circular 230 section 10.22  
9 in that he breached his fiduciary responsibility to his clients when he failed to prepare income tax  
10 returns that he was engaged to prepare for clients T.T., R.R. and K.W.H., for the tax year 2005  
11 and for failing to prepare an extension for client R.R.'s 2005 income tax returns as more  
12 specifically set forth in paragraphs 13-15 above and incorporated herein as though fully set forth.

13 THIRD CAUSE FOR DISCIPLINE

14 (Ownership of Accountants' Work Papers)

15 18. Respondent is subject to disciplinary action under Code section 5100(g) in  
16 that he failed to return clients T.T., R.R. and K.W.H.'s 2005 tax records despite their repeated  
17 requests by both telephone and written correspondence to return their tax documents as required  
18 by Code section 5037(b) and as set forth in paragraphs 13-15 above and incorporated herein as  
19 though fully set forth.

20 FOURTH CAUSE FOR DISCIPLINE

21 (Retention of Client's Records)

22 19. Respondent is subject to disciplinary action under Code section 5100(g) in  
23 that he failed to return clients T.T., R.R. and K.W.H.'s 2005 tax records despite their repeated  
24 requests by both telephone and written correspondence to return their tax documents as required  
25 by CCR section 68 and as set forth in paragraphs 13-15 above and incorporated herein as though  
26 fully set forth.

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1 FIFTH CAUSE FOR DISCIPLINE

2 (Response to Board Inquiry)

3 20. Respondent is subject to disciplinary action under Code section 5100(g) in  
4 that he failed to respond to a Board inquiry as required in CCR section 52. Respondent failed to  
5 respond within 30 days to letters dated June 29, 2006, August 8, 2006, August 9, 2006, and  
6 September 6, 2006 from an Investigative C.P.A. for the Board.

7 SIXTH CAUSE FOR DISCIPLINE

8 (Name of Firm)

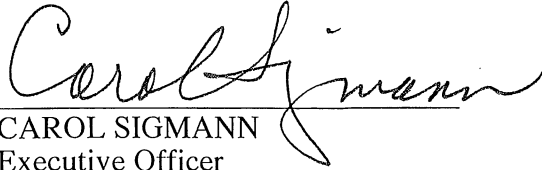
9 21. Respondent is subject to disciplinary action under Code section 5100(g) in  
10 that he prepared income tax returns under the firm name of "Mattila and Associates, Inc.," which  
11 is not registered with the Board as required by Code section 5060.

12 PRAYER

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein  
14 alleged, and that following the hearing, the Board issue a decision:

- 15 1. Revoking or suspending or otherwise imposing discipline upon Certified  
16 Public Accountant Certificate Number 46705, issued to William John Mattila;
- 17 2. Ordering William John Mattila to pay the Board the reasonable costs of  
18 the investigation and enforcement of this case pursuant to Business and Professions Code section  
19 5107; and
- 20 3. Taking such other and further action as deemed necessary and proper.

21  
22 DATED: August 14, 2007

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24   
25 CAROL SIGMANN  
26 Executive Officer  
27 California Board of Accountancy  
28 State of California  
Complainant